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THE MANAGEMENT OF INTERNAL SCHOOL FUNDS

by

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A THESIS

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The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies for acceptance, a thesis entitled, "The Management of Internal School Funds" submitted by Philip James Husby in partial fulfilment of the requirements for the degree of Master of Education.

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ABSTRACT

The financing of education in the public schools of the Province of Alberta, at the local level, is the responsibility of the Boards of Education of the several school districts, divisions and counties throughout the Province. The responsibility for management of the public school funds is normally delegated to a secretary-treasurer who is subject to various fiscal controls which ensure an accurate and systematic accounting of the public funds expended by the Boards in the operation of their schools.

Another set of school funds are the direct responsibility of the principals, teachers and pupils within the schools. These funds are collected from the pupils for such purposes as textbook rentals, examination fees, etc., for distribution to school district treasurers, the Department of Education, and other agencies; or are raised within the schools through the activities of student organizations and school staffs. These moneys have been termed "internal school funds" to differentiate them from the general school-district funds which are under the direct control of the business offices of school boards.

It is with the management of these internal school funds that this study is specifically concerned.

Regular school district funds are subject to strict rules of business management through legislation and departmental regulations. Internal school funds, on the other hand, appear to be entirely free from statutory or other out-of-school regulation. Whatever systems

are used for their management are determined almost entirely by the staff and pupils within the schools.

This study has had two aims. The first was to obtain, through an examination of the available library references, a list of practices and procedures recommended by their authors for the management of internal school funds. The second was to determine, through a survey of the high schools of the Province of Alberta, the practices and procedures which are followed in the management of such funds in Alberta schools.

It was found that the authors generally recommend the establishment of a central treasurer organization for the management of internal school funds, together with a bookkeeping system which will allow the central treasurer to oversee and control all of the financial activities within the school. The various recommended operational procedures for receiving and safeguarding internal school funds, and for controlling expenditures--such as using adequate bookkeeping forms, budgetting, auditing the accounts, etc.--are those generally recommended in the business world.

The survey determined that there is a wide divergence in money management practices within the schools of the Province. In some schools many of the procedures recommended by the authors were followed. In others very few of these practices were in use.

The study determined that the management of internal school funds is a problem of great concern for many school principals.

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CHAPTER I

PURPOSE OF THE STUDY, COLLECTION OF DATA AND DEFINITIONS OF TERMS USED

I. INTRODUCTION TO THE PROBLEM

Background of the Problem

For many years school principals have been concerned with the problems relating to the management of internal school funds. The amounts of money collected through school offices and by student organizations often reach substantial sums, particularly in the larger high schools where student groups tend to become involved in activities which require large expenditures of money. In the absence of direction from outside sources, many different systems for fund management have evolved. Some of these have proven to be more satisfactory than others.

Need for the Study

The task of managing internal school finances has developed gradually over the years as schools have become larger and the function of the schools has broadened. Knezevich points out, in a recent study of this problem in schools of the United States, that

The tremendous growth of student body activities is a product of the twentieth century, particularly since 1920. The various sizes as well as the complexity of student body activity funds demands careful design and attention to business management.¹

¹S. J. Knezevich, Administration of Public Education (New York: Harper and Brothers, 1962), p. 454.

With the tremendous increase in the high school population in Canada during the past three decades, and the program of centralizing high schools, a similar situation is found in this country.

In addition to the problem of the management of funds raised by student body organizations, school principals have increasingly become agents for the collection of moneys for various out-of-school organizations. Many principals, for example, become involved with textbook rental funds, the sale of supplies, the collection of examinations fees, the sale of pupil photographs and pupil insurance policies, and the sale of books and magazines.

With all the various funds which come into the schools, it becomes apparent that their management, particularly where enrolments are large, may become a problem of considerable magnitude.

Hummel and Houck note, in this connection, that, "teachers and administrators often find themselves wondering just what their responsibilities are, and what procedures they should follow"² in the management of such large sums.

It is hoped that this study will indicate some of these responsibilities and outline some suggested procedures for the guidance of administrators.

With such large sums of money involved, inefficient operational procedures for their care and control can have several unpleasant consequences.

²E. Hummel and R. Houck, "Teacher Responsibility for Student Funds," Clearing House, 32:179, November, 1957.

Internal school funds have been described as "public or quasi-public funds"³ in the sense that they are raised by student groups within the publicly supported schools, or are in part collected by the schools acting as agents for the publicly supported school boards. Whenever such public funds are handled, the greatest prudential care must be exercised to avoid any suggestion of impropriety.

Any suspicion of mismanagement in the handling of public funds by teachers or administrators can have dire consequences. Several writers note that principals have lost their positions, and even their credentials, for misappropriation, or alleged misappropriation, of these funds. For example, Hummel and Houck point out, "in the past year (1946) two instances of mismanagement have been reported. Both resulted in loss of position. One had his certificate revoked."⁴

Referring to the need for proper money management in the schools, Huggett, in an unusual manner, states,

Money is literally dynamite in school work. One can drink, gamble, curse and kiss his neighbor's wife and get away with it ... maybe. The misuse of one cent, or even the suspicion of misuse which cannot be disproved means loss of position, if not a stay in 'pokey'. Every year school administrators lose their jobs through not following this cardinal principle. One has only to read the newspapers to know the truth of this statement."⁵

³H. H. Linn (ed.), School Business Administration (New York: The Ronald Press, 1956), p. 213.

⁴Hummel and Houck, loc. cit.

⁵A. J. Huggett, Practical School Administration (Champaign, Ill.: The Garrard Press, 1950), p. 167.

Harl R. Douglass states that, "no principal, teacher or pupil should be placed in the position of not being able to adequately account for every penny of any fund ... in his care."⁶

It would appear then that administrators should be well aware of their personal stake in ensuring that all school moneys are managed sufficiently well so that no hint of misappropriation can be voiced.

Many authors have mentioned the beneficial effects on the pupils who are used to assist with the proper handling of internal school funds. Linn points out that students have the opportunity to experience an excellent learning situation when student accounts are managed in a proper fashion.⁷

In a similar vein, Mort and Reusser note that,

In addition to the purposes served by the usual internal accounting procedures, they offer an excellent opportunity for training students in business responsibilities and giving them practice in handling financial affairs.⁸

In the business world, those who handle money expect to operate under controls that help to guarantee the honest management of funds. Pupils could well learn this lesson in school. Douglass affirms:

There is no such thing as the 'honor plan' in business. To pretend there is in school is bad business training and an inducement to immature students to forget where the lines are

⁶ H. R. Douglass, Modern Administration of Secondary Schools (Boston: Ginn and Company, 1954), p. 407.

⁷ H. H. Linn (ed.), loc. cit.

⁸ Paul R. Mort and W. C. Reusser, Public School Finance (2nd ed.), (New York: McGraw-Hill, 1951), p. 249.

that separate their own property from that of others.⁹

It would appear that this study could serve a useful purpose in bringing to light the need for efficient and accurate procedures in the management of internal school funds by school personnel.

II. THE PURPOSE OF THE STUDY

The methods used for safeguarding and managing internal school funds vary considerably from school to school. Few principals have had extensive training in money management procedures, and in general there has been very little direction in Canada from school boards, departments of education, or the universities as to the procedures and practices which should be followed in managing the moneys collected within the schools. There has also been very little literature relating to this topic published in Canada.

In contrast to this apparent lack of concern in Canadian educational circles, the problem of internal school funds has received considerable attention in the United States. A very great amount of reference material relating to this topic is available in American educational journals and text books, and has been for many years. For example, J. F. Jolley in 1923 in an article in School Review¹⁰ suggested most of the procedures that are now considered by many authorities to be standard practice in the management of internal

⁹H. R. Douglass, op. cit., p. 409.

¹⁰L. F. Jolley, "An Accounting System for High School Organizations," School Review, 31:136-142, February, 1923.

school funds. Since that time there has been a plethora of articles on this subject in United States publications. A complete listing of these references over the past thirty years would be very extensive.

From these numerous studies and discussions has gradually evolved a set of guiding principles which are generally accepted in American educational circles for the administration of internal school funds.

The first purpose of this study was to prepare a list of desirable characteristics of internal school fund accounting systems by a thorough examination of the available literature on the topic.

The second purpose was to examine current practices in the management of internal school funds within the high schools of the Province of Alberta with the aim of determining to what extent these practices embrace the desirable characteristics referred to, above.

In brief, this study has attempted to find answers to the following questions:

1. What are the characteristics of an adequate system of accounting for internal school funds?
2. Do the accounting systems now in use in the high schools of the Province of Alberta for the administration of their internal school funds have these desirable characteristics?

III. THE DELIMITATIONS OF THE STUDY

Although most schools in the Province of Alberta have certain internal school funds to look after, most elementary schools, and many junior high schools, have relatively small sums of school moneys to manage as compared to the senior high schools where the scope and range of student-body activities tend to be much more extensive. For this reason the survey was confined to schools in which high school and specifically Grade XII pupils were enrolled.

Since this study was concerned more with methods and procedures rather than with amounts of funds involved, little emphasis has been placed on financial figures. The intention was to obtain information relative to the total annual amounts of internal funds of the schools. No attempt was made to obtain detailed financial data concerning all the various activities within the schools.

The study did not deal with the details of specific book-keeping forms used in the accounting systems within the schools.

IV. COLLECTION OF DATA

In order to survey the practices being followed in the management of internal school funds in Alberta, a questionnaire was designed to be sent to the principals of selected schools. The items incorporated into the questionnaire were obtained from an examination of the literature relating to this topic.

The original form of this questionnaire was submitted to a

number of school principals and superintendents for criticism and validation. After considerable revision, the final form of the questionnaire, as given in Appendix A, was mailed to selected principals during May, 1964. A follow-up letter along with a second copy of the questionnaire was mailed during June to those principals who had not returned the original copy.

The questionnaire was mailed to a total of 157 school principals. These principals were selected from the List of Operating Schools in Alberta 1963-64 produced by the Department of Education, Edmonton, and dated December, 1963. The list was obtained from the office of the Chief Superintendent of Schools. The basis for the selection and classification of the schools was as follows:

Group I - Senior High Schools

This group included each of the public and separate senior high schools in the Province of Alberta. For the purposes of this study, a senior high school was considered to consist of Grades X, XI and XII, or Grades IX, X, XI and XII. Questionnaires were sent to the principals of fifty-nine such schools; forty-eight of these, or 81.4%, were returned.

Group II - Junior-Senior High Schools

Group II included all of the public and separate junior-senior high schools in the Province. For the purposes of this study, a junior-senior high school was considered to consist of Grades VI, VII or VIII to XII inclusive. Forty-five such schools were identified.

Of the forty-five questionnaires distributed, thirty-eight, or 86.7%, were returned.

Group III - Grades I - XII Schools

The third group of schools included all public and separate schools in the Province of Alberta which:

- a. Had eighteen or more teachers in the 1963-64 school year; and,
- b. Offered instruction in Grade XII; and
- c. Were not included in Groups I and II above.

Most of the fifty-three schools in Group III had enrolments from Grades I-XII inclusive. A few, however, included Grades III-XII or some other such combination.

Fifty-three questionnaires were sent to principals of this group of schools. Forty-eight, or 90.6%, of these were returned.

Table I presents a summary of the distribution and return of the questionnaires in this study.

It was hoped that, with a fairly substantial percentage return of the questionnaires, the method chosen to distribute this instrument would result in responses from schools which enrolled a significant proportion of the senior high school students of the Province of Alberta at the time that the survey was made in May and June, 1964.

The Department of Education was asked to supply the total enrolment figures in Grades X-XII during the 1963-64 school year. This information was obtained from Mr. S. T. Nichols, Supervisor of

TABLE I
THE DISTRIBUTION AND RETURN OF QUESTIONNAIRES
TO PRINCIPALS OF SCHOOLS

Principals of:	Number sent	Number returned	Percent return
Senior High Schools	59	48	81.4%
Junior-Senior High Schools	45	38	86.7%
School Grades I - XII	53	48	90.6%
TOTALS	157	134	85.4%

Examinations, Department of Education, Edmonton. The figures were based on September, 1963 enrolments. This letter noted that there were 21,672 pupils enrolled in Grade X, 20,276 in Grade XI and 20,580 in Grade XII, a total of 62,528, in the three senior high school grades.

The enrolments of the schools participating in this survey as reported in the returned questionnaires by the principals toward the end of the 1963-64 school year included 37,574 senior high school pupils. This represented almost sixty-one percent of the senior high school enrolment in the Province of Alberta at the time that the questionnaire was distributed.

These figures are shown in Table II.

V. DEFINITIONS OF TERMS USED

Central treasurer. The central treasurer of internal school funds is that person, usually an adult, who is responsible for the management and accounting of all the internal school funds. This person may be a clerk in the school office, a member of the commercial department of the school, another staff member, or the principal himself.

Clearing accounts. Those moneys which are collected within a school and are distributed in toto to out-of-school agencies are termed clearing accounts. Clearing accounts would include such funds as textbook rental funds, departmental examination fees and the like.

TABLE II

TOTAL ENROLMENTS OF SENIOR HIGH SCHOOL PUPILS
FROM PARTICIPATING SCHOOLS

TYPE OF SCHOOL REPORTING	TOTALS OF ENROLMENTS Grades X - XII
Senior High Schools	24,335
Junior-Senior High Schools	7,919
Schools Grades I - XII	5,320
Totals of Participating Schools ^a	37,574
Total for Province ^b	62,528

Note: a. Figures based on reported enrolments in May and June of the 1963-64 school year.

b. Figure based on Provincial enrolments as of September, 1963.

Internal school funds. Internal school funds refer to all moneys collected within the schools by principals, teachers, or pupil organizations from whatever source. They include both the regular receipt accounts and the clearing accounts.

Organizational treasurer. Pupil organizations, such as the students' council, dramatics club, etc., elect or cause to be appointed student treasurers who are responsible for the management of the funds of that organization. Under the central treasury system, organizational treasurers deposit their funds with the central treasurer rather than in the bank.

Regular receipt accounts. Regular receipt accounts refer to all those internal school funds which are not clearing accounts. These would include funds derived from the sale of school newspapers, year books, confections, admissions to athletic events and dramatic presentations within the school, etc.

CHAPTER II

REVIEW OF THE LITERATURE

A very extensive literature relating to the management of internal school funds is available. This chapter is devoted to a brief summary of the practices and procedures recommended in the numerous studies and articles.

It is not intended in this section to go into details relative to the types of bookkeeping forms and ledgers which may be used in the actual operation of a fund management system. For persons interested in this aspect of internal school fund management, several excellent references are listed in the Bibliography.¹

I. PURPOSES OF ADEQUATE FUND MANAGEMENT PROCEDURES

Miller and Spalding have listed four purposes for keeping accurate internal school fund accounts, namely:

1. They serve as a prudential control over expenditure of all school funds.
2. They guarantee the financial integrity of those who handle the funds.

¹For three excellent guides see: J. H. Walsh, "Simplified Activity Accounting System," American School Board Journal, 91:62, July, 1935; W. E. Rosenstengel and J. N. Eastmond, School Finance (New York: The Ronald Press, 1957), Ch. XVI; or, for an extensive and complete outline for an elaborate bookkeeping system: Chas. W. Foster and C. M. Davis (eds.), A Manual of Accounting Principles and Procedures, Bulletin No. 17, The Association of School Business Officials of the United States and Canada, (1010 Church Street, Evanston, Ill. 1957).

3. They provide the basis for the reliable reporting of the status of these funds.

4. They provide the basis for good management procedures.²

Trytten notes that, in addition to these purposes, proper fund management in schools can serve as a valuable laboratory³ for students to learn about practical problems and practices in business management.

II. RESPONSIBILITY FOR INTERNAL SCHOOL FUNDS

All authorities agree that the principal of the school should be in charge of all the financial activities that take place within the school. Seitz, in an extensive study of the legal aspects of the principal's duties, concludes that, "principals must provide procedures, organization, direction and supervision" for the management of these funds.⁴ Douglass claims that it is the principal's responsibility to see that funds are systematically accounted for by a system which will permit easy objective auditing.⁵ Gauerke notes that, "in the last analysis, it is the principal who is charged with the accurate reporting

²V. Miller and W. B. Spalding, The Public Administration of American Schools (New York: The World Press, 1952), p. 443.

³J. M. Trytten and W. E. Hess, "Extracurricular Activity Funds," Bulletin of the National Association of Secondary School Principals, 102:205, February, 1952.

⁴R. C. Seitz (ed.), Law and the School Principal. Vol. 3 of The Legal Problems of Education Series, (Cincinnati: W.H. Anderson, 1961), p.216.

⁵Harl R. Douglass, Modern Administration of American Schools (Boston: Ginn and Company, 1954), p. 407.

of school moneys."⁶

There is general agreement on the point of view that the handling of student funds should not be left solely to the discretion of students. Jordan, for example, indicates that where the entire control of finances is left with the pupils, "waste, extravagance and dishonesty result."⁸ Where this applies, students will go from the schools trained in lax and irresponsible methods of handling funds.

Kratzmann, in a study of extracurricular activities in certain Alberta schools in 1957, noted a wide divergence in the degree of responsibility for extracurricular finances on the part of the pupils from one school to another. These practices ranged from the one extreme of a principal being in sole and personal charge of all such funds, to the opposite in another school where complete responsibility for the management of student funds was assumed by the students.⁹

In several states of the United States the courts have established that student, or extracurricular, funds are 'public funds', and are therefore subject to the same controls as regular school district funds.¹⁰ In several states legislation has been enacted requiring

⁶W. E. Gauerke, Legal and Ethical Responsibilities of School Personnel (Englewood Cliffs, N. J.: Prentice-Hall, 1959), p. 118.

⁷R. H. Jordan, Extracurricular Activities (New York: Thos. Y. Crowell, 1928), p. 225.

⁸J. A. Edmonson, J. Roemer and F. L. Bacon, The Administration of the Modern Secondary School (New York: The Macmillan Co. 1948), pp. 348-342.

⁹A. Kratzman, "A Descriptive Survey of the Extracurricular Progress of the Composite High Schools of Alberta," (Unpublished Master's Thesis, University of Alberta, Edmonton, 1958), pp. 73-76.

¹⁰Seitz, op. cit., p. 215.

school boards to exercise direct control and supervision over all these extracurricular funds.¹¹ Voges states that, "the observable trend is toward centralized accounting control of activity moneys by local school districts."¹² There is no similar legislation, and no observable similar trend, in Canada.

III. RECOMMENDED FUND MANAGEMENT PROCEDURES

When a system for the management of the internal funds of a school is to be established, those in charge must first decide on some sort of policy of operation, and then establish the various procedures to implement this policy. This section will deal with these two facets of the problem.

Establishment of Policy

Seven policy recommendations which have been detailed in several references are discussed below.

The central treasurer. As long ago as 1923, Jolley recommended the establishment of a central treasurer system in schools to manage all the internal funds.¹³ Many writers have criticized the practice still extant in many schools where each separate organization

¹¹A. Unruh and N. Beck, "State Control Over Extracurricular Activities," Clearing House, 30:244-6, December, 1955.

¹²B. H. Voges, "Activity Fund: New Worry for the Business Head," The Nation's Schools, 68:76-7, October, 1961.

¹³L. F. Jolley, "An Accounting System for High School Organizations," School Review, 31:136-42, February, 1923.

carries out its fiscal functions independently. This, said Jolley, is "as if a department store had separate treasurers and separate bank accounts for each department, and had no general manager."¹⁴

In essence, under the central treasurer system, the treasurers of the various school organizations keep separate accounts for their particular organizations, but deposit their funds with, and make orders for payment upon, the central treasurer of the school instead of a bank. The central treasurer maintains separate accounts in his books for each of these several organizations.¹⁵ He is the only person who has the authority to make payments from the funds.¹⁶ The principal values of the central treasurer system relate to ease of control. When all accounts are under one treasurer, it is possible at any time to ascertain the status of any or all of the accounts¹⁷ and to exercise prudential control over all expenditures.¹⁸

It is recommended that the central treasurer be an adult,¹⁹

¹⁴Ibid., p. 136.

¹⁵J. C. Christy, "Handling Student Funds," The Nation's Schools, 42:49-50, July, 1942.

¹⁶Ibid.

¹⁷Miller and Spalding, op. cit., p. 442.

¹⁸N. W. Newsom and R. E. Langfitt (eds.) Administrative Practices in Large High Schools (New York: American Book Company, 1940), p. 161.

¹⁹A. J. Huggett, Practical School Administration (Champaign, Ill.: The Garrard Press, 1950), p. 166.

either the principal himself or a person designated by him.²⁰ He may be a clerk assistant in the school office,²¹ a business education or commercial subjects' teacher,²² a member of the staff,²³ or a person from the school board office.²⁴

Each student organization in the school has its own treasurer who is elected by that organization. This organizational treasurer keeps a record of all the financial transactions carried on by the organization, and is responsible for ensuring that his accounts agree with those of the central treasurer.²⁵ A faculty advisor is appointed by the principal to have general supervisory control over the affairs of each pupil organization. This advisor should be required to sanction any expenditure made by the organization under his charge.²⁶

Bonding of treasurers. Mort and Ross in their classic text, Principles of School Administration, recommend the establishment of certain prudential checks and balances to help guarantee the integrity

²⁰Seitz, op. cit., p. 213.

²¹Rosenstengel and Eastmond, op. cit., p. 301.

²²J. D. Hall, "Direction of Extra-Curricular Activities," Chapter XII of Newsom and Langfitt, op. cit., p. 374.

²³Rosenstengel and Eastmond, loc. cit.

²⁴J. Bucknam, "A Workable System of Activities Accounting," The Nation's Schools, 46:62, October, 1950.

²⁵Jordan, op. cit., pp. 227-31.

²⁶Ibid.

of persons who hold positions requiring them to be responsible for the handling of large sums of money.²⁷ One of the most widely practised of these checks and balances in the business world is the posting of what have been termed fidelity or performance bonds.²⁸ These are a most effective defence against losses which might occur through intentional or unintentional acts of employees in positions of trust.²⁹ It is recommended that central treasurers be bonded, the amount of the bond being equal to the largest amount of money that will be entrusted to the treasurer at any one time.³⁰ In addition, any other persons who have access to these funds should be bonded as well.³¹

Budgeting. A budget is a document showing the anticipated income and expenditures of an organization for a certain period of time,³² usually a year. Budgets assist the officers of organizations to determine objectives and to plan the various sources of income which will enable them to carry out such a program. The budget

²⁷Paul R. Mort and D. H. Ross, Principles of School Administration (2nd ed.), (New York: McGraw-Hill, 1957), p. 134.

²⁸Ibid.

²⁹S. B. Tidwell, Public School Accounting (New York: Harper and Brothers, 1960), p. 225.

³⁰Rosenstengel and Eastmond, op. cit., p. 300.

³¹G. L. Cleland, "A Centralized System of Accounting for Student Activity Funds," The Bulletin of the National Association of Secondary School Principals, 119:29-36, January, 1944.

³²Tidwell, op. cit., p. 17.

establishes both the amount and nature of the revenues which may be anticipated and defines the types and amounts of expenditure which will be met from them.³³

Rosenstengel and Eastmond assert that:

Each activity should have a budget and each budget should have three parts: i. the program of work which the club or activity wishes to undertake; ii. the cost of carrying out this program of work; and, iii. the means and methods of raising the funds needed to meet the costs.³⁴

Each organization within the school which requires the expenditure of funds for its operations should prepare a budget at the beginning of the school year.³⁵ The values of budgeting have been listed as follows:

- i. Budgets require all groups to organize on a business basis.
- ii. They require activities to live within their incomes.
- iii. They help to develop a better balanced extra-curricular program.
- iv. They encourage worthy but non-revenue producing activities by providing revenue for these groups from other profit-making organizations.
- v. Budgets tend to limit many unsatisfactory money-raising activities.
- vi. Budgets prevent the raiding of finances of the school by popular activities at the beginning of the year.³⁶

Audit of accounts. Mort and Ross have recommended the practice of having an independent audit of accounts as a second check and balance to ensure the honest handling of funds by those entrusted

³³School Business Management Handbook No. 4, Accounting and Reporting (State Department of Education, Albany, N.Y.), p. 30.

³⁴Rosenstengel and Eastmond, op. cit., p. 302.

³⁵R. R. Halley, "A Student Body Budget in a Small High School," American School Board Journal, 119:28, July, 1949.

³⁶E. K. Fretwell, Extra Curricular Activities in Secondary Schools (New York: Houghton-Mifflin, 1931), p. 446.

with their care.³⁷ The purposes of an audit are to check all the records and accounts of an organization, to detect intentional or unintentional errors of omission or commission, to detect fraud, to establish safeguards for conserving and preserving the funds, and to have an outside independent accountant act as advisor to the organization.³⁸

The central treasurer's records should be submitted for audit at the close of each school year, either by the school district, or school board, auditors, or by public accountants or chartered accountants.³⁹

In some schools the audit function is carried out by a teacher from the commercial or business education department.⁴⁰ It would appear, however, that having this task performed by a person who is entirely dissociated from the school would have certain advantages. The audit should not only protect the organization from fraud, but should also protect the treasurer from any suspicion of malpractice.⁴¹ For this reason the auditor should not be personally connected with the school.

³⁷ Mort and Ross, loc. cit.

³⁸ Tidwell, op. cit., p. 209.

³⁹ F. A. Miller, J. H. Moyer and R. B. Patrick, Planning Student Activities (Englewood Cliffs, N. J.: Prentice-Hall, 1956), p. 141

⁴⁰ Mort and Ross, loc. cit.

⁴¹ Ibid.

Reporting the status of funds. Periodic statements of the status of all the accounts in the central treasury of the school should be prepared and distributed to the people concerned. It is suggested that these reports be prepared by the central treasurer each month,⁴² and sent to sponsors and treasurers of organizations as well as to the principal of the school.⁴³

These regular reports, in addition to providing information to pupils, sponsors and administrators about the status of the funds, can serve as a check for the organizational treasurers, to ensure that their books, and those of the central treasurer are in balance.⁴⁴

Training of student treasurers. One of the major benefits to be derived from an adequate fund-management program for internal school funds is the practical training given to students in the proper methods of accounting of funds.⁴⁵ Students in business education courses in high schools naturally tend to become the organizational treasurers for the various clubs and extra-curricular activities within the schools. The business training and the actual office practice which are associated with these positions can be a valuable vocational

⁴²Walsh, op. cit., p. 62.

⁴³Foster and Davis, op. cit., p. 38.

⁴⁴Ibid.

⁴⁵H. C. McKown, Extracurricular Activities (New York: The MacMillan Company, 1952), pp. 573-4.

training experience for these students.⁴⁶

In order to introduce newly elected student treasurers to their responsibilities, a training program should be carried out early in the school year.⁴⁷ This training program may well be under the direction of the central treasurer, who should outline the various practices and procedures which are required in the accounting system of the school.

Hendrix suggests that a manual of accounting procedures be prepared and made available to give direction to all treasurers in the accounting methods to be used, and in the proper methods of handling accounts.⁴⁸ This manual should be a "complete guide and handbook for all who handle the finances for the school."⁴⁹

The finance committee. Several authors suggest the establishment of a finance committee with responsibilities for internal school funds. Miller, Moyer and Patrick assert that such a committee can serve as a policy making and planning body.⁵⁰ They recommend that this committee be responsible for financial planning, budgeting, controlling and supervising the spending of extra-curricular funds, as

⁴⁶Paul R. Mort and W. C. Reusser, Public School Finance (2nd ed.), (New York: McGraw-Hill, 1951), p. 249.

⁴⁷McGown, op. cit., p. 67.

⁴⁸E. L. Hendrix, "Supervision of Student Body Accounting," California Journal of Secondary Education, 26:110-12, February, 1951.

⁴⁹Ibid.

⁵⁰Miller, Moyer and Patrick, op. cit., p. 125.

well as serving as an advisory body for the various student organizations.⁵¹

Included within the membership of the finance committee would be representative pupils from the various student organizations, the principal, representative faculty members, as well as the central treasurer.⁵²

Fund Management Procedures

In addition to the formulation of policy relative to the management of internal school funds, a system of fund management procedures to be followed in the actual process of handling the funds must be adopted. Routine procedures for the receipt, protection and expenditure of moneys must be established. This final section of the chapter will review the literature relating to this aspect of the fund management process.

Each of the procedures outlined below is recommended in several of the references available on the management of internal school funds. Since the Rosenstengel and Eastmond reference,⁵³ previously cited, gives a detailed and rather complete outline of these, it will be referred to most frequently.

⁵¹Ibid.

⁵²Foster and Davis (eds.), op. cit., p. 12.

⁵³Rosenstengel and Eastmond, op. cit., Ch. XVI.

Receipt of moneys. Whenever money is passed from one person to another, a receipt in duplicate should be made out to record the transaction. The original receipt copy should be given to the person from whom the money was received, and the duplicate retained for accounting and auditing purposes.⁵⁴ Funds received from organizational treasurers or other school personnel should be turned over to the central treasurer,⁵⁵ and all funds received by the central treasurer should be deposited in a bank.⁵⁶ Cheques received by the central treasurer should be rubber stamped to show restrictive endorsement.⁵⁷

Expenditure of funds. Before purchases are made, they should be authorized by some designated official or officials.⁵⁸ This is done usually through the completion of a purchase order form issued by the treasurer. The regulations with respect to who may issue purchase orders, and who may authorize purchases, should be clearly defined in each school.

All accounts, with the exception of minor expenditures through

⁵⁴Ibid., p. 308.

⁵⁵Ibid., p. 300.

⁵⁶Ibid.

⁵⁷C. M. Davis, "Policies Approved for Student Activity Accounting," The Nation's Schools, 60:68, August, 1957.

⁵⁸The Safeguarding, Accounting and Auditing of Extra-Classroom Activity Funds (Albany, N.Y.: The University of the State of New York Press, 1959), p. 15, p. 31.

the petty cash fund, which is discussed below, should be paid by cheque.⁵⁹ Disbursements should be made only after a properly executed request-for-payment form has been completed and turned over to the central treasurer.⁶⁰ All bills should be paid by the central treasurer.⁶¹

The petty cash fund. In order to facilitate the purchase of minor items for the school, it is recommend that a petty cash fund be established.⁶² Payments from this fund should be authorized by some designated official, and by the completion of a petty cash voucher.⁶³ This voucher should show the account to which the payment is to be charged, and all the necessary details of the expenditure.

Sale of tickets. Ticket sales by students to student functions can lead to confusion. In order to ensure good business practice in the handling of ticket sales, it is recommended that all tickets be printed and prenumbered, and that proper accounting

⁵⁹J. C. Christy, "Handling Student Funds," The Nation's Schools, 42:50, July, 1948.

⁶⁰Davis, loc. cit.

⁶¹The Safeguarding, Accounting and Auditing of Extra-Classroom Activity Funds, op. cit., p. 15.

⁶²Foster and Davis, (eds.), op. cit., p. 32.

⁶³Davis, op. cit., p. 70.

procedures be followed in their distribution.⁶⁴ An exact record of tickets charged out to salesmen should be kept, and all tickets or the money represented by the tickets should be turned in by the ticket sellers at the conclusion of the event.⁶⁵

Protection of funds. Where practical and possible, school funds should be deposited daily in the bank.⁶⁶ There are times, however, when it is not possible to do this. For the protection of funds which must be kept in the school, the provision of a safe or vault is recommended.⁶⁷ In addition, burglary insurance should be provided.⁶⁸

The general school fund. It is often desirable to have a general fund from which may be made purchases which cannot be charged to any particular organization yet are of benefit to the entire school.⁶⁹ The purchase of bookkeeping materials, such as cheques, receipts and ledgers for the central treasurer, for example, could be made from such a general fund. It may also be used to sponsor or subsidize

⁶⁴Hendrix, op. cit.

⁶⁵Jordan, op. cit.

⁶⁶Paul R. Jacobson, W. C. Reavis and J. D. Logsdon, The Effective School Principal (Englewood Cliffs, N.J.: Prentice-Hall, 1963), p.425.

⁶⁷G. B. Thompson, "What is Effective Administration of Pupil Activity Funds?" The Bulletin of the National Association of Secondary School Principals, 162:289, April, 1949.

⁶⁸Ibid.

⁶⁹Jacobson, Reavis and Logsdon, op. cit., p. 652-3.

worthy organizations within the school which do not have an adequate independent source of funds. Many such uses could be found in every school.

Funds for the general school account may be derived from several sources. For example, in some schools a small percentage deduction is made from all athletic, dramatic and other receipts.⁷⁰

SUMMARY

Robert W. Frederick, in The Third Curriculum,⁷¹ a recent book devoted to the role and operation of extra-curricular activities in American schools, suggests thirty standards for judging the adequacy of a fund management system for internal school funds. To summarize this chapter, an abbreviated listing of these standards follows:

1. All records should be made in duplicate.
2. Spending authority should be separated from custodial care.
3. All transactions should be recorded in at least two places.
4. There should be at least two signatures on all forms except receipts.
5. Regular and frequent checks should be made on the books and accounts of activity treasurers.

⁷⁰Christy, op. cit., p. 50.

⁷¹R. W. Frederick, The Third Curriculum (New York: Appleton-Century-Crofts, 1959), pp. 187-94.

6. All money should go through the central treasurer.
7. Authorization for purchase of goods or services should be made through the central treasurer and/or the activity sponsor.
8. All books and records should be kept in a central office and left there during vacations.
9. There should be uniform account and receipt books for all organizational treasurers.
10. An appropriate form should be used with each movement of money.
11. There should be regular and systematic instruction for all persons, including teachers, involved with fiscal affairs.
12. Cash should be left overnight only with the central treasurer.
13. An external audit should be made when the responsibility for school funds is transferred to another person.
14. Uniform regulations should apply to all funds collected.
15. Monthly statements should be required from all organizational treasurers.
16. All accounts should be open for public inspection at all times.
17. Compliance with the agreed system of bookkeeping and fund management should be required at all times.
18. All forms should be simply labelled, should require a minimum of writing, be prenumbered, issued, filed and retained in a systematic manner for a specified time.

19. There should be an agreed time and place for making financial transactions with the central treasurer.

20. There should be a common system of fund management for all schools under the same board.

21. Tickets for sale by students should be printed, distributed and accounted for in a uniform manner.

22. The fiscal year for internal school funds should coincide with the official school year.

23. Provision should be made for the safekeeping of funds either in a small safe or in a locked strongbox in the central treasurer's office.

24. The central treasurer should have adequate office space, storage space, ledgers and necessary equipment.

25. If a custodian has keys to the central treasurer's office, this custodian should be bonded.

26. Inventories of supplies and equipment should be kept in the principal's office.

27. Adequate forms should be prepared to account for all sales, services, ticket sales, etc.

28. Ticket sellers should sign receipts for tickets when received. This receipt should show the number of tickets and their value.

29. Regulations for the use of each organization's funds, and for the general school fund, must be established, agreed to and

followed.

30. A petty cash fund for small purchases should be established.

CHAPTER III

POLICY RELATING TO MANAGEMENT OF INTERNAL SCHOOL FUNDS IN ALBERTA SCHOOLS

One of the principal purposes of this study was to determine whether or not the practices and procedures in use in the schools of the Province of Alberta were in accord with the suggestions found in the literature. Chapters III and IV will give an analysis of the responses of the principals to several questions in the questionnaire in order to ascertain the degree of conformity there is between present practices in the schools in the Province and the recommendations that have been listed in Chapter II. The present chapter is concerned with the question of policies established for school fund management. Chapter IV will deal with the actual operational procedures followed in the handling, accounting and managing of these funds.

I. SCHOOL BOARD DIRECTION RELATING TO FUND MANAGEMENT

It was noted in Chapter II that, in several of the states of the United States, legislation has been enacted directing school boards to make regulations with respect to internal school funds and requiring the boards to exercise the same controls over the management of these funds as applied to regular school board moneys. Although there is no similar legislation in Canada, some school boards have made certain regulations to apply to the internal school funds

in the schools under their jurisdiction. To ascertain the extent of this practice in Alberta, the principals were requested to indicate if their school boards had issued any instructions on how the internal funds of their schools should be managed. In Table III a summary of this information is given.

TABLE III
SCHOOL BOARD DIRECTION OF INTERNAL SCHOOL FUNDS

Has board issued such instructions?	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	No.	%	No.	%	No.	%	No.	%
Yes	10	20.8	4	10.5	2	4.1	16	11.9
No or No Response	38	79.2	34	89.5	46	95.9	118	88.1
Totals	48		38		48		134	

In only sixteen, or 11.9% of the 134 schools from which the questionnaires were returned were there any board regulations relating to internal school funds. In eight of these sixteen schools, the board required an audit; in five instances boards required a periodic statement of the status of internal accounts; eight schools were given board instructions relative to the safekeeping of funds. In one instance, the board specified the use of financial forms or

bookkeeping procedures, and one board made regulations regarding the disposition of funds.

II. USE OF THE CENTRAL TREASURER SYSTEM

Virtually all authorities strongly advocate the centralized system for the accounting and managing of internal school funds. In fact one would conclude from reading the literature that this is the foundation-stone upon which a sound accounting system for such funds is to be built.

Table IV shows the incidence of the central treasurer system in the schools included in this survey. It will be noted that a central treasurer was found more frequently in the senior high school group than in the other two groups, the incidence being 56.3%, 27.0% and 29.2% respectively. In the fifty-one schools where a central treasurer was found, this office was held in seventeen instances by the principal, in fourteen by the vice-principal, in thirteen by the school clerk, in three by a business education teacher, and in two by some other staff member. In four instances the central treasurer was said to be a student.

III. BONDING OF TREASURERS

One of the methods used in the business world to protect the funds of an organization is to have persons who have access to the funds post fidelity or performance bonds. These bonds act as insurance against intentional or unintentional losses of funds by persons in

TABLE IV

INCIDENCE OF THE CENTRAL TREASURER SYSTEM

IN ALBERTA SCHOOLS

Q.- Do you have a central treasurer to handle all the funds in your school?	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	No.	%	No.	%	No.	%	No.	%
Yes	27	56.3	10	27.0	14	29.2	51	38.3
No	21	43.7	27	73.0	34	70.8	82	61.7

Q.- If "yes", who performs this function?	Group I Schools	Group II Schools	Group III Schools	Total Schools
	No.	No.	No.	No.
Principal	7	4	6	17
Vice-principal	8	4	2	14
Office clerk	8	1	4	13
Business ed. teacher	2	1	0	3
Other	2	2	2	6

positions of trust.

The bonding of treasurers who are in charge of internal school funds is apparently a practice which is not yet in vogue in the schools in the Province of Alberta. In only one instance was it reported that a central treasurer was bonded; this occurred in one of the largest of the senior high schools where the treasurer in charge of all accounts other than extracurricular accounts was bonded. The amount of the bond was not stated.

IV. AUDITING OF ACCOUNTS

The auditing of the accounts of the internal school fund has been recommended for several reasons. The audit protects the reputations of those who have charge of the funds. It checks the accuracy of the books, and enables suggestions to be obtained from experts on the improvement of bookkeeping practices.

It was suggested that the audit be performed by some person not directly connected with the school, preferably a professional accountant.

Table V summarizes the responses on the principals involved in the survey to several questions relating to the audit function. It will be noted that in the majority of schools included in the survey, 104 out of 134 or 78.4%, some form of auditing of internal school funds was carried on. In only five of these schools was the audit performed by a professional accountant. The audit was done by personnel of the

TABLE V

AUDITING OF INTERNAL SCHOOL ACCOUNTS

Is audit performed?	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	No.	%	No.	%	No.	%	No.	%
Yes	39	81.3	27	71.1	38	79.2	104	77.6
No	9	18.7	9	23.6	9	18.8	27	20.1
No reply	0	0.0	2	5.3	1	2.1	3	2.2
Totals	48		38		48		134	
<u>How often?</u>								
Annually	31		20		25		76	
Semi-annually	0		4		8		12	
Quarterly	2		2		3		7	
Monthly	2		1		0		3	
Perpetually	1		0		0		1	
Not stated	3		0		2		5	
<u>By whom?</u>								
Staff member	34		20		36		90	
Accountant	3		2		0		5	
Other outsider	2		5		2		9	

school, either the principal, a business education instructor, or another staff member, in ninety of these 104 schools.

In nine schools the audit was performed by persons other than school personnel or professional accountants. In seven of these nine instances this was done by a school district or divisional secretary-treasurer, and in two by the "village secretary".

In those schools where an audit was performed, the annual audit was found most frequently.

V. BUDGETS FOR STUDENT ORGANIZATIONS

In order to control the spending of student groups, and to attempt to ensure that the aims and activities of these groups are educationally valid, it is recommended that each student organization be required to prepare, at the beginning of each school year, an annual budget showing anticipated revenue and expenditure. This budget should also indicate the activities upon which the expenditures will be made.

The principals who received the questionnaires were asked to indicate if student organizations in their schools were required to prepare such budgets. Table VI summarizes the responses to this question.

It will be noted that budgeting by student groups was performed in slightly more than half of the schools, but that its occurrence was more frequent in the senior high schools than in either the junior-senior high school group or the Grades I - XII group.

TABLE VI

BUDGETS FOR STUDENT ORGANIZATIONS

Are annual budgets required?	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	No.	%	No.	%	No.	%	No.	%
Yes	31	64.6	17	44.7	22	45.8	70	52.2
No or No Response	17	35.4	21	55.3	26	54.2	64	47.8
Totals	48		38		48		134	

VI. REPORTING OF STATUS OF FUNDS

Internal school funds, as has been pointed out, are made up of two types: clearing accounts, most of which for many schools would include school board funds in the form of text rental funds and other moneys; and regular receipt accounts, which, in most of the schools, are mainly made up from the funds of the various extra-curricular organizations. These funds, according to several authorities, are in a sense "public funds". It would be expected, then, that efforts would be made to ensure that regular and periodic reports of the status of these internal school funds would be made available to students, board members, and other members of the public, as well as to the administrators in charge of the school.

Table VII gives a summary of the responses of several questions on the questionnaire relating to the reporting of the status of internal

TABLE VII

REPORTING OF STATUS OF FUNDS

Are periodic reports of funds' status prepared?	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	No.	%	No.	%	No.	%	No.	%
Yes	42	87.5	32	84.2	38	79.2	112	83.6
No	6	12.5	6	15.8	9	18.7	21	15.7
No reply	0	0	0	0	1	2.1	1	.7
<u>How often?</u>								
Annually	18		19		20		57	
Semi-annually	6		4		6		16	
Quarterly	5		6		1		12	
Monthly	10		3		7		20	
Other	1		0		1		2	
No response	2		0		3		5	
<u>Made available to:</u>								
Principal	39		31		35		105	
Pupils	37		25		30		92	
Superintendent	6		5		2		13	
School board	5		3		9		17	
Parents	1		2		1		4	

school funds. It will be noted that in most of the schools an effort was made to prepare periodic reports of the status of these funds, and that these reports were prepared annually, semi-annually, quarterly or monthly. It is also noted that the reports that were prepared did not have as wide a circulation as might be expected.

Of the 112 schools which indicated that regular reports were prepared, 105 of these reports were made available to the school principal, and ninety-two to the pupils. In fourteen instances the reports were made available to school boards, in thirteen to the superintendent, and in only four instances were these reports made available to parents.

SUMMARY

The purpose of this chapter was to analyze the responses of the principals to certain questions relating to the establishment of policies concerning internal school funds. A review of the preceding sections would indicate the following conclusions:

1. There are few outside influences to affect the principals in their decisions as to how the internal funds in their schools should be managed. It was previously noted that there is no known legislation in Canada bearing on this subject, and this survey has shown that few school boards in Alberta have made regulations affecting the operation or management of these accounts.

2. Slightly more than one-third of the schools used the centralized system for managing the internal school accounts.

3. The practice of having the treasurers bonded was almost non-existent in the schools included in the survey.

4. Most schools had some form of audit of the books of the internal school accounts. In most schools this function was performed by some person within the school -- either the principal, a teacher of commercial subjects, or some other staff member. In a relatively small number of schools this audit was performed by some person outside of the school; in only a very few instances was this done by a professional accountant.

5. In approximately one-half of the schools, student organizations were expected to prepare annual budgets of expected income and expenditure.

6. In the majority of schools, regular reports of the status of internal school accounts were prepared. These reports did not appear, however, to have as wide a distribution as might be expected.

CHAPTER IV

OPERATIONAL PROCEDURES OF FUND MANAGEMENT IN ALBERTA SCHOOLS

The purpose of the present chapter is to examine the actual money management procedures found in Alberta in the day-to-day operation of internal school funds.

As was indicated in Chapter II, there are a number of practices in the management of internal school funds which are recommended in virtually every reference on this subject and these are listed and discussed in that portion of this volume. In this chapter a comparison will be made between these recommended practices and those actually being used in the management of such funds in Alberta schools.

I. RECEIVING MONEYS

The practice of issuing receipts for moneys received has several advantages, particularly relating to the audit function.

The principals were requested to indicate on the questionnaires if receipts were issued by treasurers for all moneys received.

In Table VIII is found a summary of the responses to this question. In the senior high school group, the practice of issuing receipts by treasurers was followed in approximately two out of three schools. In the Grades I - XII group, this proportion rose

TABLE VIII

FREQUENCY DISTRIBUTION OF SCHOOLS WHERE
ISSUANCE OF RECEIPTS OF MONEYS
RECEIVED IS PRACTISED

Are receipts issued for moneys received?	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	No.	%	No.	%	No.	%	No.	%
Yes	32	66.7	24	63.2	36	75.0	92	68.7
No	16	33.3	12	31.6	11	22.9	39	29.1
No reply	0	0	2	5.2	1	2.1	3	2.2
Totals	48		38		48		134	

to three out of four schools. In all the schools included in this survey, the practice of issuing receipts for all funds received by the treasurers was found in 68.7% of the schools.

II. DISBURSEMENT OF FUNDS

In order to ascertain current practices in Alberta of internal school fund spending, two sets of questions were proposed. One related to the authorization of expenditures, while the other set related to the methods of payment.

Authorization of Expenditures

Principals were requested to indicate if a formal purchase order procedure was followed in their schools, and also to indicate which individuals within the schools had authority to authorize the spending of school moneys.

In Table IX is found a summary of the data relating to the incidence of the use of purchase orders to authorize the expenditure of funds, as compared to the giving of this authorization orally or by some other means. Since the concern in this question was for purchases from regular receipt accounts, and since the only accounts of this nature in several of the schools were student-organization funds, several principals indicated that such funds could be expended only by a resolution of the student body as a whole.

It will be observed that the practice of using purchase

TABLE IX

AUTHORIZATION OF EXPENDITURES FROM
INTERNAL SCHOOL FUNDS

How authorization is made:	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	No.	%	No.	%	No.	%	No.	%
(a) Oral instruction	17	35.4	21	55.3	26	54.2	64	47.9
(b) Purchase order	21	43.8	6	15.8	8	16.7	35	26.1
Both (a) and (b) above	5	10.4	2	5.3	1	2.1	8	6.0
Resolution of student body	2	4.2	8	21.1	9	18.8	19	14.2
No reply	3	6.3	1	2.6	4	8.3	8	6.0
Totals	48		38		48		134	

orders was followed in twenty-one of the forty-eight senior high schools, while in the junior high school group, and in the Grades I - XII group, this practice was found in only six and eight instances respectively.

In sixty-four of the 134 schools involved in the survey, purchases were authorized by "oral instruction". That is, some official or person could give permission for purchasing items from the internal school funds orally, with no written authorization necessary.

It appears that the practice of pupils having the authority to expend student funds without the express consent of staff advisors is relatively widespread in Alberta schools. The principals were requested to reply "Yes" or "No" to the question, "Are students alone permitted to authorize certain expenditures?" A summary of the responses to this question is found in Table X.

In the senior high group, pupils had this authority in 35.4% of the schools; in the junior-senior high school group they had this authority in 65.8% of the schools of the Province; and in the Grades I - XII group, this percentage was 47.9%. For the Province as a whole, in almost one-half of the schools pupils had the authority to authorize expenditures of student funds. It appears that the "we earned it, so we'll spend it" philosophy relating to student funds is present and accepted in nearly one-half of the schools in Alberta.

TABLE X

INCIDENCE OF STUDENT ONLY AUTHORIZATION OF
EXPENDITURES

Can pupils alone authorize expenditures?	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	No.	%	No.	%	No.	%	No.	%
Yes	17	35.4	25	65.8	23	47.9	65	48.5
No	29	60.4	10	26.3	22	45.8	61	45.5
No reply	2	4.2	3	7.9	3	6.3	8	6.0
Totals	48		38		48		134	

Method of Payment of Indebtedness

The paying of bills by cheque offers several bookkeeping advantages over payment by cash. In order to determine how widespread the practice of paying bills against internal school funds by cheque is found in Alberta, several questions were asked of the principals involved in the survey. It was intended to determine as well some particulars of the cheque-writing procedure, namely the number of signatures required on cheques written on these funds, and who were authorized to sign cheques.

In Table XI is found a summary of the responses to these questions.

In the large majority of schools, the practice of making payments by cheque was followed. In thirty-two of the schools one signature only was required; in ninety-nine, two signatures were used, while in eleven of the schools, three signatures were needed on the cheques.

The authority to sign cheques was vested in several different persons. In sixteen of the schools, the signing authority for all cheques was one staff member, in most instances the principal. Two staff members, usually the principal and the staff advisor, or the central treasurer, had signing authority in twelve of the schools. In the majority of schools, in seventy-one instances, the signing authority for extracurricular funds was one staff member along with a student president or a student treasurer. In thirty-one

TABLE XI

INCIDENCE OF THE PRACTICE OF MAKING PAYMENTS

BY CHEQUE

Are bills paid by cheque?	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	No.	%	No.	%	No.	%	No.	%
Yes	46	95.8	34	89.5	45	93.8	125	93.3
No	2	4.2	3	8.0	1	2.1	6	4.5
No reply	0	0	1	2.5	2	4.1	3	2.2
Totals	48		38		48		134	
<u>Number of signatures required:</u>								
One	15		6		11		32	
Two	31		31		37		99	
Three	4		3		4		11	
<u>Who signs cheques?</u>								
One staff member	8		2		6		16	
Two staff members	6		4		2		12	
One staff member and one pupil	25		22		24		71	
Pupils only	7		9		15		31	

instances the signing authority was vested in pupils alone.

III. THE PETTY CASH FUND

In order to facilitate the purchase of minor items from internal school accounts, the use of a petty cash fund is recommended by many authorities. Such a fund may be used, for example, for the purchase of postage stamps, without the necessity of going through the procedure of filling out purchase orders and authorization-of-payment orders through the central treasurer.

Each principal involved in the survey was requested to indicate whether or not a petty cash fund was established in his school, and to show both the "amount" of such a fund, and if petty cash vouchers were to be completed when expenditures from this fund were made. The summary of the replies to these questions is given in Table XII.

Petty cash funds were found to be in use in nearly two-thirds of the schools included in this study. They were more commonly employed in the senior high school group, where thirty-five, or 72.9% of the forty-eight reporting schools had such a fund in use, than in the other schools. In the junior-senior high school group, they were used in twenty-one, or 55.3% of the thirty-eight reporting schools. Thirty-one, or 64.6%, of the forty-eight schools in the Grades I - XII group had petty cash funds in use.

TABLE XII

THE PETTY CASH FUND IN ALBERTA SCHOOLS

Is a petty cash fund used?	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	No.	%	No.	%	No.	%	No.	%
Yes	35	72.9	21	55.3	31	64.6	87	64.9
No or no response	13	27.1	17	44.7	17	35.4	47	35.1
Totals	48		38		48		134	
<u>"Amount" of this fund:</u>								
\$2.50 - \$5.00	7		3		4		14	
\$10.00 - \$20.00	8		5		6		19	
\$25.00 - \$50.00	11		9		12		32	
\$75.00 - \$100.00	3		1		4		8	
Over \$100.00	0		1		3		4	
Not stated	6		2		2		10	
Totals	35		21		31		87	
<u>Are petty cash vouchers used?</u>								
Yes	17		7		8		32	
No	18		14		23		55	
Totals	35		21		31		87	

The "amount" of the petty cash fund varied from a low of \$2.50 in one school to a reported high of \$800.00 in another, while one principal indicated that there was no limit to the petty cash fund. In fifty-one of the eighty-seven schools in which petty cash funds were in use, the amount of such funds was between \$10.00 and \$50.00.

The use of petty cash vouchers to account for expenditures from these funds was not a common practice. In only thirty-two of the eighty-seven schools in which petty cash funds were employed were petty cash vouchers being used.

IV. SALE OF TICKETS

When students participate in the sale of tickets to athletic, dramatic or other activities held within the premises of the school, it has been recommended that good bookkeeping procedures be followed to ensure that all of the funds which should accrue to the school, or to the student organization which is sponsoring these activities, in fact do reach their destination. With the sale of tickets, as with all other activities in which school moneys are involved, procedures should be established to provide some system of checks and balances to ensure that funds are accounted for in total. Thus, it was suggested that tickets should be printed and prenumbered, that salesmen should sign for the tickets which they receive, and that they should account for each of these tickets either

in cash or through the return of tickets after the selling campaign is completed.

In order to ascertain whether or not ticket sales in the schools of the Province were carried out in a businesslike manner, the principals were requested to answer "Yes" or "No" to the question, "Are ticket sales by students controlled by numbering tickets?" A summary of the responses to this question is given in Table XIII.

In more than one-half of the schools involved in the survey the practice of numbering tickets which are sold by students was carried on. This practice was most prevalent, in twenty-nine, or 60.4% of the forty-eight schools, in the Grades I - XII group, and least prevalent, 44.7% in the thirty-eight schools of the junior-senior high school group. In the senior high schools, it was found in twenty-five, or 52.1% of the forty-eight schools. Of the 134 schools included in the total survey, seventy-one or fifty-three percent of the principals reported that ticket sales were controlled by numbering tickets.

V. PROTECTION OF FUNDS

The protection of funds entrusted to their care poses problems for the personnel in charge of internal school funds. Two of the methods frequently employed to somewhat reduce the likelihood of theft and the unpleasant aftermath of robbery are the provision of a

TABLE XIII

SCHOOLS IN WHICH TICKET SALES BY STUDENTS
ARE CONTROLLED BY NUMBERING TICKETS

Are ticket sales controlled by numbering tickets?	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	No.	%	No.	%	No.	%	No.	%
Yes	25	52.1	17	44.7	29	60.4	71	53.0
Sometimes	1	2.1	2	5.3	1	2.1	4	3.0
No	20	41.7	18	47.4	14	29.2	52	38.8
No response	2	4.2	1	2.6	4	8.3	7	5.2
Totals	48		38		48		134	

safe or vault in the school office, and the purchase of burglary insurance for these funds. Several questions on the questionnaire were asked of the principals to determine in how many of the schools included in this survey these practices were being followed. Summaries of the responses to these questions are given in Tables XIV and XV.

It is interesting to note that in just over one-half of the senior high schools safes and vaults were provided within the schools for the temporary storage of moneys, while in the junior-senior high schools and in the Grades I - XII schools the percentage dropped to 34.2% and 16.7% respectively. In only approximately one-third of all the schools included in this survey were such safe-keeping facilities found.

The respondents were requested to describe how funds, which were not deposited in the bank, were safeguarded if no safe or vault was provided in their schools. In general it was stated that these moneys were either placed in a locked filing cabinet, or taken home by the principal, vice-principal or school secretary, until they could be deposited. As will be noted in Chapter V, this problem of safe custody of money within the school appeared to be a major concern of the principals, judging from the responses to this question. Some of their statements indicate this concern: "They are hidden behind books in a locked storage!" "They are placed in a cash box locked in one of the several storerooms."

TABLE XIV
INCIDENCE OF THE PROVISION OF SAFES OR VAULTS
IN ALBERTA SCHOOLS

Is a safe or vault provided?	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	No.	%	No.	%	No.	%	No.	%
Yes	25	52.1	13	34.2	8	16.7	46	34.3
No	23	47.9	24	63.2	40	83.3	87	64.9
No response	0	0.0	1	2.6	0	0.0	1	0.8
Totals	48		38		48		134	

TABLE XV
INCIDENCE OF THE PROVISION OF BURGLARY
INSURANCE FOR THE PROTECTION OF
INTERNAL SCHOOL FUNDS

Is burglary insur- ance provided?	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	No.	%	No.	%	No.	%	No.	%
Yes	15	31.3	6	15.8	3	6.3	24	17.9
No	32	66.7	31	81.6	44	91.7	107	79.9
No response	1	2.1	1	2.6	1	2.1	3	2.2

"They are hidden in various places." "They are placed in the furnace room of (the) school." "There is a risk in just locking these in a desk in the office."

Although there was no question on the questionnaire concerning the frequency of burglary of school funds, one principal volunteered the information that, "We had the safe cracked last fall the first time in fifty years. But only \$300.00 (was) lost."

The provision of burglary insurance for the protection of internal school funds was found in a minority of the schools in Alberta, as is indicated in Table XV. In only twenty-four of the 134 schools from which the questionnaires were returned was this insurance found. Fifteen of the forty-eight senior high schools enjoyed this protection, while only six of the junior-senior high schools and three of the Grades I - XII schools had burglary insurance.

In sixteen of the twenty-four schools where burglary insurance was provided for the protection of funds, the premiums were paid by the school board. The student council provided the funds for the payment of the premiums in one instance. In the other seven cases the source of the funds was not disclosed.

It is interesting to note that one principal stated that, "I have applied for coverage myself." Another noted hopefully that he "presumes that the board's liability insurance" provided this coverage.

A third method of providing for the protection of internal school funds which cannot be regularly deposited in the bank is to make arrangements for a night depository. Two respondents indicated that they used such a night depository. One of the principals stated, "School safe (is) not too necessary if (there is a) bank in town with facilities for night deposit."

VI. THE GENERAL SCHOOL FUND

Each principal who received the questionnaire was requested to answer three questions relating to a general school fund. He was asked whether such a fund was established in his school, and if the reply was affirmative, to describe the principal sources of the fund and the uses to which the moneys collected were put.

The incidence of the practice of having a general school fund, as reported by the respondents, is shown in Table XVI. Its existence was most frequent, 47.9%, in the Grades I - XII schools. In the senior high schools and the junior-senior high schools the frequency was 37.5% and 26.3% respectively.

The sources of money for the general school fund, as reported by the principals, were numerous, and varied considerably from one school to another. These are listed below in order of frequency:

- a. Commission on the sale of pupil photographs.
- b. Proceeds from plays, athletic events, social functions,
etc.

TABLE XVI

THE GENERAL SCHOOL FUND

Is there a general school fund in your school?	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	No.	%	No.	%	No.	%	No.	%
Yes	18	37.5	10	26.3	23	47.9	51	38.1
No	26	54.2	27	71.1	24	50.0	77	57.5
No response	4	8.3	1	2.6	1	2.1	6	4.5
Totals	48		38		48		134	

- c. Percentage of all receipts of each school organization.

One principal indicated that ten percent of the income from all the student organizations was appropriated for the general school fund.

- d. Student fees charged upon registration.
- e. Profit from canteen, sale of pop, milk, etc.
- f. Surplus accounts at year end.
- g. School board grant, or school board petty cash fund.
- h. Fines on lost textbooks, library books, etc.
- i. Rental of locks and unclaimed lock deposits.
- j. Profit from sale of magazines.
- k. Rental of school facilities.
- l. Profits from the sale of school supplies.
- m. Donations.
- n. Projects undertaken by the faculty.

The uses to which the general school fund were put were even more varied than the sources of income for such a fund. Those listed by the respondents were as follows:

- a. Purchase of desirable equipment for the school not covered by school board requisition.
- b. Used for the general welfare of the school at the discretion of the principal and staff.
- c. Purchases of awards and diplomas.
- d. Purchase of staff room furniture.

- e. Scholarships.
- f. Sponsor special trips for students such as to the United Nations' Summer School in Banff.
- g. Benevolent purposes, such as helping needy pupils.
- h. Purchase of books for the professional library.
- i. Purchase treats for pupils at Christmas.
- j. Purchase records for the school.
- k. Purchase gifts.
- l. Provide additional books for the school library.
- m. For film rental.
- n. Pay for music festival entry fees for student groups.
- o. For the beautification of the school ground.
- p. To provide picnics, socials and parties for students.
- q. Purchase one major new item for the school each year.
- r. To cover "unpaid bills" and "for bills which the school board refuses to pay."

As one principal put it, the general school fund can be used "for things we are unable to get through other means."

It was apparent from these responses that many principals felt that such a general school fund was a valuable asset to the general welfare of the school.

SUMMARY

In this chapter an examination of the money management procedures followed in the day-to-day operation of internal school fund

accounts was made. In summary, the following points may be noted:

1. In approximately two out of three of the schools receipts were issued for all moneys received, while in the large majority of the schools, bills were paid by cheque.

2. In approximately two-thirds of the schools a petty cash fund was established for the purchase of minor items required from internal funds.

3. The use of purchase orders and authorization-for-payment orders was practised in a minority of the schools included in the survey.

4. Pupils had the authority in almost one-half of the schools to make purchases from student funds without the sanction of a member of the school staff.

5. In more than one-half of the schools, an attempt was made to place the sale of tickets by students for school functions on a business-like basis.

6. A safe or vault for the protection of funds until they could be deposited in a bank was provided in approximately one-third of the schools, while burglary insurance was provided in only a small fraction of the schools.

7. A general school fund, under the jurisdiction of the principal and staff, was found in about one-third of the schools. In those schools in which such a general fund was found, the sources of income were quite varied, and the uses to which it was put were even more broad.

CHAPTER V

PROBLEMS AND COMMENTS OF PRINCIPALS

In concluding the analysis of the information obtained from the responses found in the returned questionnaires, this chapter will briefly indicate the amounts of funds handled in the reporting schools, and will summarize the various problems in the management of internal school funds which were mentioned by the principals as giving them cause for concern.

I. AMOUNTS OF FUNDS INVOLVED

It was considered desirable to obtain information from the principals as to the total sums of moneys collected within the schools. This information would be of some value in ascertaining whether or not these internal school funds in the Province of Alberta were of sufficient magnitude to be of concern. To this end, two questions relating to total amounts of money actually handled within the schools were included in the questionnaire. Each respondent was requested to state, first, the estimated annual total of clearing accounts for his school, and second, the approximate annual total of all extracurricular accounts.

Summaries of the replies to these questions are found in Tables XVII and XVIII.

TABLE XVII

ANNUAL CLEARING ACCOUNTS AND EXTRACURRICULAR

ACCOUNTS TOTALS OF REPORTING SCHOOLS

1963 - 1964

	Group I Schools	Group II Schools	Group III Schools
<u>CLEARING ACCOUNTS</u>			
1. No. of reporting schools	41	37	45
2. Total annual all schools	\$230,700	\$124,750	\$140,150
3. Range: from \$	100	400	100
to \$	75,000	8,000	9,000
4. Average annual total \$	5,627	3,372	3,115
<u>EXTRACURRICULAR ACCOUNTS</u>			
1. No. of reporting schools	45	35	42
2. Total annual all schools	\$128,900	\$60,350	\$51,050
3. Range: from \$	300	0	300
to \$	10,000	6,000	4,000
4. Average annual total \$	2,864	1,724	1,216

It will be noted in Table XVII that, in the Group I schools, principals reported annual clearing accounts varying from \$100.00 to \$75,000.00, with an average amount of \$5,627.00 per senior high school. Total annual extra-curricular accounts ranged from \$300.00 to \$10,000.00 with a mean of \$2,864 per senior high school. This would indicate that the principal of an 'average' senior high school of the Province of Alberta was required to oversee an annual total of \$8,491.00 of internal school funds.

The totals were somewhat smaller for the junior-senior high school group. The average annual total of the junior-senior high schools was \$3,372.00 for clearing accounts, \$1,724.00 for extracurricular accounts, for a gross annual total of \$5,096.00. The corresponding figures for the Grades I - XII schools were \$3,115.00 and \$1,216.00 for a gross annual total of \$4,331.00.

There was a wide variation in the annual totals of internal school funds from school to school as indicated in the frequency distribution figures in Table XVIII. It would appear, nevertheless, that in the majority of the larger schools in the Province of Alberta, the funds involved were substantial enough to require practices and procedures in their management which are in accord with good business practice.

II. FUND MANAGEMENT PROBLEMS

Item 7 of Part H of the questionnaire contained a list of fourteen money management problems found in some schools. The

TABLE XVIII
DISTRIBUTION FREQUENCY OF CLEARING ACCOUNTS
AND EXTRACURRICULAR ACCOUNTS

Reported annual total	Group I Schools		Group II Schools		Group III Schools		Total Schools	
	C*	E**	C	E	C	E	C	E
Over \$10,000	4	2	0	0	0	0	4	2
\$9,000 - 9,900	1	0	0	0	1	0	2	0
\$8,000 - 8,900	0	3	2	0	1	0	3	3
\$7,000 - 7,900	2	1	2	0	1	0	5	2
\$6,000 - 6,900	2	1	3	1	2	0	7	2
\$5,000 - 5,900	2	1	2	2	4	0	8	3
\$4,000 - 4,900	3	0	6	1	6	1	15	2
\$3,000 - 3,900	10	2	7	1	8	1	25	4
\$2,000 - 2,900	11	15	3	7	10	7	24	29
\$1,000 - 1,900	2	12	7	12	7	14	16	38
\$500 - 900	4	6	3	8	3	15	10	29
0 - 400	0	1	2	3	2	4	4	8
No response	7	3	1	3	3	6	11	12
Totals	48	48	38	38	48	48	134	134

Note: * C denotes Clearing accounts

** E denotes Extracurricular accounts

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Year	1960		1961		1962		1963		1964		1965		1966		1967		1968		1969		1970		1971		1972		1973		1974		1975		1976		1977		1978		1979		1980		1981		1982		1983		1984		1985		1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996		1997		1998		1999		2000		2001		2002		2003		2004		2005		2006		2007		2008		2009		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021		2022		2023		2024		2025		2026		2027		2028		2029		2030		2031		2032		2033		2034		2035		2036		2037		2038		2039		2040		2041		2042		2043		2044		2045		2046		2047		2048		2049		2050		2051		2052		2053		2054		2055		2056		2057		2058		2059		2060		2061		2062		2063		2064		2065		2066		2067		2068		2069		2070		2071		2072		2073		2074		2075		2076		2077		2078		2079		2080		2081		2082		2083		2084		2085		2086		2087		2088		2089		2090		2091		2092		2093		2094		2095		2096		2097		2098		2099		2100		2101		2102		2103		2104		2105		2106		2107		2108		2109		2110		2111		2112		2113		2114		2115		2116		2117		2118		2119		2120		2121		2122		2123		2124		2125		2126		2127		2128		2129		2130		2131		2132		2133		2134		2135		2136		2137		2138		2139		2140		2141		2142		2143		2144		2145		2146		2147		2148		2149		2150		2151		2152		2153		2154		2155		2156		2157		2158		2159		2160		2161		2162		2163		2164		2165		2166		2167		2168		2169		2170		2171		2172		2173		2174		2175		2176		2177		2178		2179		2180		2181		2182		2183		2184		2185		2186		2187		2188		2189		2190		2191		2192		2193		2194		2195		2196		2197		2198		2199		2200		2201		2202		2203		2204		2205		2206		2207		2208		2209		2210		2211		2212		2213		2214		2215		2216		2217		2218		2219		2220		2221		2222		2223		2224		2225		2226		2227		2228		2229		2230		2231		2232		2233		2234		2235		2236		2237		2238		2239		2240		2241		2242		2243		2244		2245		2246		2247		2248		2249		2250		2251		2252		2253		2254		2255		2256		2257		2258		2259		2260		2261		2262		2263		2264		2265		2266		2267		2268		2269		2270		2271		2272		2273		2274		2275		2276		2277		2278		2279		2280		2281		2282		2283		2284		2285		2286		2287		2288		2289		2290		2291		2292		2293		2294		2295		2296		2297		2298		2299		2300		2301		2302		2303		2304		2305		2306		2307		2308		2309		2310		2311		2312		2313		2314		2315		2316		2317		2318		2319		2320		2321		2322		2323		2324		2325		2326		2327		2328		2329		2330		2331		2332		2333		2334		2335		2336		2337		2338		2339		2340		2341		2342		2343		2344		2345		2346		2347		2348		2349		2350		2351		2352		2353		2354		2355		2356		2357		2358		2359		2360		2361		2362		2363		2364		2365		2366		2367		2368		2369		2370		2371		2372		2373		2374		2375		2376		2377		2378		2379		2380		2381		2382		2383		2384		2385		2386		2387		2388		2389		2390		2391		2392		2393		2394		2395		2396		2397		2398		2399		2400		2401		2402		2403		2404		2405		2406		2407		2408		2409		2410		2411		2412		2413		2414		2415		2416		2417		2418		2419		2420		2421		2422		2423		2424		2425		2426		2427		2428		2429		2430		2431		2432		2433		2434		2435		2436		2437		2438		2439		2440		2441		2442		2443		2444		2445		2446		2447		2448		2449		2450		2451		2452		2453		2454		2455		2456		2457		2458		2459		2460		2461		2462		2463		2464		2465		2466		2467		2468		2469		2470		2471		2472		2473		2474		2475		2476		2477		2478		2479		2480		2481		2482		2483		2484		2485		2486		2487		2488		2489		2490		2491		2492		2493		2494		2495		2496		2497		2498		2499		2500		2501		2502		2503		2504		2505		2506		2507		2508		2509		2510		2511		2512		2513		2514		2515		2516		2517		2518		2519		2520		2521		2522		2523		2524		2525		2526		2527		2528		2529		2530		2531		2532		2533		2534		2535		2536		2537		2538		2539		2540		2541		2542		2543		2544		2545		2546		2547		2548		2549		2550		2551		2552		2553		2554		2555		2556		2557		2558		2559		2560		2561		2562		2563		2564		2565		2566		2567		2568		2569		2570		2571		2572		2573		2574		2575		2576		2577		2578		2579		2580		2581		2582		2583		2584		2585		2586		2587		2588		2589		2590		2591		2592		2593		2594		2595		2596		2597		2598		2599		2600		2601		2602		2603		2604		2605		2606		2607		2608		2609		2610		2611		2612		2613		2614		2615		2616		2617		2618		2619		2620		2621		2622		2623		2624		2625		2626		2627		2628		2629		2630		2631		2632		2633		2634		2635		2636		2637		2638		2639		2640		2641		2642		2643		2644		2645		2646		2647		2648		2649		2650		2651		2652		2653		2654		2655		2656		2657		2658		2659		2660		2661		2662		2663		2664		2665		2666		2667		2668		2669		2670		2671		2672		2673		2674		2675		2676		2677		2678		2679		2680		2681		2682		2683		2684		2685		2686		2687		2688		2689		2690		2691		2692		2693		2694		2695		2696		2697		2698		2699		2700		2701		2702		2703		2704		2705		2706		2707		2708		2709		2710		2711		2712		2713		2714		2715		2716		2717		2718		2719		2720		2721		2722		2723		2724		2725		2726		2727		2728		2729		2730		2731		2732		2733		2734		2735		2736		2737		2738		2739		2740		2741		2742		2743		2744		2745		2746		2747		2748		2749		2750		2751		2752		2753		2754		2755		2756		2757		2758		2759		2760		2761		2762		2763		2764		2765		2766		2767		2768		2769		2770		2771		2772		2773		2774		2775		2776		2777		2778		2779		2780		2781		2782		2783		2784		2785		2786		2787		2788		2789		2790		2791		279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principals were requested to place a single check mark beside those items in the list which applied to their situation, and to place a double check mark beside those which were of major concern to them. In order to have a basis for comparing the relative concern of the principals towards the listed problems, a weighted score was obtained by giving a value of two points to those items which had been double checked, and a single point to each listed problem which had received a single check mark.

A rank order from one to fourteen was assigned to each of the problems for each group of schools on the basis of the totals of these weighted scores. Those items which had equal weighted scores were assigned equal rank. Tabulations of the results obtained for each of the three groups of schools are found in the three tables XX, XXI and XXII in Appendix B.

In order to make comparisons between the three groups of schools, the results from the above tables were combined to give the summary in Table XIX. The weighted scores for the three groups of schools were totalled, and the results ranked in order from one to fourteen. In this table the weighted scores are shown under the columns headed "Sum", and the items are listed in the rank order obtained for all the schools included in the survey. From this Table XIX several important conclusions may be made. While it is not intended in this study to give a detailed statistical analysis of the data found in this table, the following general conclusions may

be noted:

1. In only two items did the rank order for the three groups of schools vary more than two ranks above or below the rank order for the total schools. "Collecting delinquent accounts from pupils", item number twelve, ranked number four for total schools, and 7.5 for senior high schools, a point difference of 3.5; problem number ten, "Keeping track of funds for each separate student group", ranked seven for total schools and 4.5 for senior high schools, a deviation of 2.5 ranks. In all other cases the deviations in rank were two ranks or less.

2. "Safekeeping of money kept within the school" was the major problem for the total schools, and also ranked highest for the junior-senior high schools and the Grades I - XII schools. This problem ranked third for the senior high schools. This corresponds with the results shown in Table XVI which indicated that safes or vaults were found in 52.1% of the senior high schools, in 39.2% of the junior-senior high schools, and in only 16.7% of the Grades I - XII schools.

3. The total weighted scores for problems one, four and three, which range from seventy-nine to 101 are very much higher than those for the other eleven problems on the list, the weighted scores for which range down from forty-five. From this it may be concluded that the three major problems for the principals in school fund management were:

MONEY MANAGEMENT PROBLEMS OF ALBERTA SCHOOL PRINCIPALS

List Order	Statement of Problem	Total Schools		Group I Schools		Group II Schools		Group III Schools	
		Sum	Rank	Sum	Rank	Sum	Rank	Sum	Rank
a-	Safekeeping of money kept within the school	101	1	25	3	33	1	43	1
d-	Selecting fund-raising activities for student groups	86	2	32	1	29	2	25	3
c-	Finding sufficient time to look after accounts	79	3	27	2	25	3	27	2
l-	Collecting delinquent accounts (e.g. rentals) from pupils	45	4	11	7.5	15	5	19	4
b-	Selection of suitable bookkeeping forms	44	5	13	4.5	17	4	14	6
n-	Getting information to set up proper bookkeeping system .	36	6	12	6	8	7.5	16	5
j-	Keeping track of funds of each separate student group ...	35	7	13	4.5	12	6	10	8
g-	Verifying the accuracy of sales made by students	33	8	11	7.5	7	9.5	13	7
h-	Obtaining funds for newly established student groups	21	9	9	9	8	7.5	4	10.5
k-	Earmarking of future income on past or present purchases.	19	10	8	10	7	9.5	4	10.5
f-	Transfer of funds from one student group to another	14	11	5	11	2	12.5	7	9
e-	Purchasing articles on credit or on instalment plan	7	12	2	13	3	11	2	12.5
i-	Disposing of funds of defunct student groups	6	13	3	12	2	12.5	1	14
m-	Disposing of surplus funds of student groups	3	14	1	14	0	14	2	12.5

Note: "Sum" denotes total weighted score of marked items from questionnaire. See Text.

- a. Safekeeping of money kept within the school;
- b. Selecting suitable fund raising activities for student groups; and
- c. Finding sufficient time to look after accounts.

It is interesting to note that two of these three major problems, unlike most of the others on the list, are not entirely within the scope of the school principals for solution. The provision of safes or vaults for the protection of money is a matter for board decision, as is the provision of sufficient office assistance to take care of the necessary bookkeeping tasks.

Specific suggestions for overcoming problem number four, as well as several other of the problems in the list, are available in several of the references listed in the Bibliography.

4. A "number-of-problems-per-school" score was obtained for each group of schools by totalling the weighted scores for each column in Table XIX and dividing this sum by the number of schools in each group. According to this tabulation, the junior-senior high schools had 4.4 problems per school, the Grades I - XII schools had 3.9 problems per school, while the senior high schools had 3.5 problems per school. The average for all the schools included in the survey was 3.9 problems per school. From this, one may conclude that the principals in the junior-senior high group were experiencing the most difficulties in managing the internal school funds, while their counterparts in the senior high schools were experiencing the least difficulties

in this regard.

5. A total of ten principals indicated no problems in the administration of the internal funds of their schools. Three of these were from senior high schools, two from junior-senior high schools and five from Grades I - XII schools.

III. COMMENTS OF PRINCIPALS

Among the gratifying experiences associated with the preparation of this study was the receipt of a large number of discerning comments made by the respondents concerning several aspects of the fund management processes in their schools. A summary of some of these follows.

One principal noted, "You have chosen a topic which I am sure causes great concern among many principals of the Province. It is also a topic where there will have to be much improvement to current practice, at least in my school." Several principals expressed their dissatisfaction with the fund management systems in operation in their schools and their determination to make improvements: "I think from reading your questions that our school may be a little (?) different from most." "We have not yet worked out a satisfactory system for school fund management." "We have a long way to go towards a systematic organization of this aspect of school life." "I think we shall all have to learn to adopt more businesslike and fool-proof accounting systems, and systems that can be thoroughly checked."

..... "An effort will have to be made to be more businesslike."

Of course, several others felt that they were doing fine in this aspect of their jobs. One principal stated, "Our school is small. Our system is lax. Our problems are nil."

Several principals felt that too much time and energy was spent in raising money for the schools. Some of the comments about this were: "Many money-raising efforts are required to purchase equipment which should be the board's financial responsibility." "School boards should allocate an amount to each school for the various organizations so that making money does not become the prime function of the Students' Union." "(I) Have never favoured (the) student council controlling athletic funds. I believe (the) Board should finance athletics." In this connection it is interesting to note that two principals from a County system in Central Alberta reported that an allowance per pupil was made to each school for athletics. This practice does not appear to be widespread.

The central treasurer system, which was spoken of approvingly in the wording of the questionnaire, had both its proponents and opponents. Several principals felt that the students within the various organizations should have the right to manage their funds more or less independently. "Each school organization looks after its own funds and only come to me or staff advisor for help." "Various funds with staff guidance (are) better than all funds controlled by secretary." "We find it feasible to allow Student Union to allot

money to clubs who bank their own. Central fund under my control includes English, Social Studies, locks, certain clubs not included in Union, etc."

One principal took a middle view: "We view school funds as student and administration funds but (all) are administered by the school on the basis (that) as we grow, more freedom will be given to students. All moneys are handed to the office and one account in the bank is a control."

On the other hand, several favoured the central treasurer system. "Students generally seem unreliable. Transactions are made hurriedly between classes." "Too many accounts lead to confusion." "A central clearing system would perhaps avoid errors." "A central school treasury works well provided that the organization treasurers are well instructed." "Find central accounts for all organizations most satisfactory."

Two interesting comments relating to the participation of school boards in school fund management were made. One principal stated, "School board should supply a standard set of books, and standardize procedures." Another took the opposite view when he noted, "The saddest thing imaginable.... is to involve the School Board in the use of student union moneys."

The role of a well-trained office secretary was remarked upon. "An experienced office secretary will minimize problems." "The school secretary acts as bookkeeper. This is all that keeps our

system in order." "In most schools the Principal gets too little secretarial assistance to manage such extra problems."

One principal made an excellent reference to the worthwhile educational possibilities for students who have an opportunity to participate in a well-managed accounting system: "Facilities and time do not permit the operation of the accounting system to be used to its fullest extent as a teaching situation for the students participating."

CHAPTER VI

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This final chapter will present a brief summary of the information obtained in this study, along with general conclusions arrived at from the survey and recommendations for those interested in this aspect of the administrative processes of the schools.

SUMMARY

This study had two purposes. The first was to obtain from the literature a set of suggestions and recommendations on how to establish and carry out an adequate system for the management of internal school funds. An outline of these suggestions and recommendations was given in Chapter II.

Several general principles of internal school fund management were discussed. It was noted that the authorities recommended a centralized accounting system with the central treasurer keeping the accounts for all the organizations within a school. In such a centralized system, the treasurers of the various organizations deposit their funds with, and make orders for payment upon, the central treasurer.

In addition to the centralized accounting system for internal school funds, several other policy recommendations were made. It was suggested that treasurers should be bonded with a surety or

fidelity bond equal to the largest sum of money over which they have control at any one time. Accounts should be audited annually, preferably by a professional auditor. Student organizations within the schools should be required to prepare annual budgets of anticipated income and expenditure. Early in the school year, students acting as organizational treasurers should be given sufficient instruction to enable them to follow the accounting procedures which are established for the school. Regular reports of the status of all internal school fund accounts should be prepared and distributed to all those persons who are concerned with such funds. And finally, it was recommended that a financial committee consisting of faculty and students be formed to establish the policies and procedures for the internal funds of a school.

Several procedures to control the day-to-day operation of internal school funds were also recommended. These procedures dealt with receipt of moneys, expenditure of funds, the sale of tickets to school and student functions, and the establishment of petty cash funds. In all these instances it was suggested that suitable bookkeeping forms be used to control the movement of funds. In addition, several authorities recommended the establishment of a general school fund.

The second purpose of the study was to ascertain, through a survey of Alberta high schools, how closely the practices of internal school fund management in this Province corresponded to those recommended

in the literature. A questionnaire to determine this was prepared and distributed to 157 high school principals. Of these forms, 134 were completed and returned. The information obtained from an analysis of the responses to the items of the questionnaire was presented in Chapters III to V.

Policies relating to the management of internal school funds in Alberta schools were discussed in Chapter III. The findings indicated that few school boards in the Province had made any regulations with respect to internal school fund management; that a centralized accounting system was found in approximately one-third of the reporting schools; that the bonding of treasurers was not commonly practised; that in the majority of the schools accounts were audited, but that this task was performed in only a few instances by professional auditors. It was found in addition that student organizations were expected to prepare annual budgets in approximately one-half of the reporting schools, and that regular reports on internal school accounts were prepared, but that these reports received only limited distribution.

An examination of the procedures followed in the operation of internal school fund accounts in Alberta high schools was given in Chapter IV. The findings indicated that receipts were issued for moneys received by treasurers in approximately two out of three of the reporting schools, and that petty cash accounts were established in approximately the same proportion of the schools. Purchase orders and other authorization -for- payment orders were infrequently used. Pupils had the

authority in approximately fifty percent of the schools to expend funds without the sanction of a staff member, while ticket sales were controlled by numbering tickets in more than one-half of the reporting schools. The provision of safes or vaults for the protection of funds occurred in one of three schools, but burglary insurance was in use in fewer than one-third of the schools. In one out of every three of the reporting schools a general school fund was found.

In Chapter V an analysis of problems of Alberta high school principals in the management of internal school funds was given, together with a summary of several relevant comments on this subject made by the principals. A brief description of the total annual amounts of funds handled within the reporting schools was made, indicating that the principals were responsible for the management of in excess of \$5,000.00 in internal school funds for an "average" high school.

The principals reported their concern for three major problems relating to internal school fund management. These problems centered around the safekeeping of funds kept within the schools, the selection of suitable fund raising activities for student groups, and finding sufficient time to look after internal school fund accounts adequately. The comments of several of the principals indicated that many regarded the management of internal school funds as being of considerable concern to them.

CONCLUSIONS

The general conclusions to be drawn from this study are as follows:

1. The sums of money collected annually in the high schools of the Province of Alberta reach substantial amounts. This study indicated an average annual total of internal funds for all the schools included in the survey to be in excess of \$5,000.00, and that, in some instances, this total ranged up to \$75,000.00. With such large sums of money involved, the need for good business management practices in the schools is evident.

2. The authorities collectively agree on the efficacy of a central treasurer system for the management of internal school funds. In most of the references available on this topic, the authors assume that everyone is already convinced that this is the only system which permits the necessary supervision and controls over the financial activities in a school. The principals of Alberta do not all subscribe to this unanimous view of the authors. This survey indicates that in approximately one-half of the schools in the Province some form of central treasurer system is found.

3. The incidence of bonding of treasurers, of having annual budgets for the student organizations prepared, and of having annual audits of the accounts of school funds by professional auditors, are all relatively rare in the schools of the Province.

4. In the various operational procedures recommended for the day-to-day management of school moneys, the majority of the principals follow several of the recommended practices--such as issuing receipts for money received, paying bills by cheque, and exercising some form of bookkeeping controls on ticket sales.

5. Several of the recommended devices for controlling expenditures, such as purchase orders, authorization-for-payment orders, and petty cash vouchers, are found only rarely in the schools of Alberta.

6. Safes and vaults in school offices, for the protection of funds until they are deposited in a bank, were provided in approximately one-third of the schools surveyed. A corollary to this is the fact that the major problem of the principals in the management of internal school funds was the safekeeping of cash until it was banked.

7. Principals generally act on their own initiative in school fund management. Few of the school boards have given any specific directives in this area of administrative responsibility, and there is no known provincial legislation in Alberta, nor in any other part of Canada, on this subject.

8. Some portion of the funds raised by the efforts of staff and student organizations, in some schools, goes towards the purchase of equipment and materials which might normally be expected to be provided from regular school district funds.

9. The whole subject of internal school fund management, including the aspects of general principles of operation, and the

specific procedures for carrying on the day-to-day operational management of the accounts, is of considerable concern to a large number of school principals.

RECOMMENDATIONS

On the basis of the conclusions of this study the following general recommendations are suggested for the improvement of present practices in the management of internal school funds:

1. The several professional bodies which include principals in their membership, such as the Council of School Administration and the Principals' Associations, may well consider the inclusion of this as a topic for discussion and consideration at their meetings, where sufficient interest and concern is shown by the principals.

2. School boards should give serious consideration to the provision of safekeeping facilities for funds in the larger schools. In addition, principals may find it expedient to make arrangement to have night depository privileges with their banks.

3. A study to determine the extent of the practice of using student organization funds, and other internal school funds, for the purpose of purchasing necessary equipment and materials for the schools in the Province should be carried out.

4. The question of what fund raising activities students might be encouraged to participate in has received considerable attention

in the United States, but has not been investigated to any extent in Canada. A study of this may prove to be a fertile field for future research.

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THE QUESTIONNAIRE

QUESTIONNAIRE TO PRINCIPALS

THE MANAGEMENT OF INTERNAL SCHOOL FUNDS

This questionnaire forms part of the requirements for my M.Ed. degree in Educational Administration. May I have a few minutes of your time for the completion of these questions relating to the problems associated with funds handled within your school?

PART A

1. DEFINITIONS of terms used in this questionnaire:
 - a. Central treasurer - a person who handles all the funds in a school. He acts as a bank for the various organizational treasurers.
 - b. Organizational treasurer - a treasurer of an individual organization - e.g. a Glee Club.
 - c. Clearing Accounts - funds such as examination fees which are collected in a school and sent out in total to out-of-school organizations.
2. Check (✓) answers where possible.
3. Please mail the completed questionnaire in the enclosed self-addressed envelope to: Philip J. Husby, 11209 - 104 Street, Grande Prairie, Alberta.
4. If you would like a summary of the results of this study, check here _____

PART B - School Data

1. Name of school _____
2. Name of principal _____
3. Grades taught in this school: 1 2 3 4 5 6 7 8 9 10 11 12
(circle)
4. Total number of pupils enrolled _____
5. Number of pupils in Grades 10, 11 and 12 _____

PART C - Policy

1. Does the principal or another adult, carry out an organized program for instructing student organization treasurers each year? Yes ____; No ____.
2. Are written instructions for the use of student treasurers provided? Yes ____; No ____.
3. Are the student organizations in your school required to prepare an annual budget of expected revenue and expenses? Yes ____; No ____.
4. Has your school board issued any instructions on how the internal funds of your school should be managed? Yes ____; No ____.

If "yes", does the board:

- ____ (a) Require an audit
- ____ (b) Require a periodic statement of the financial status of internal accounts
- ____ (c) Issue instructions relative to safekeeping of funds
- ____ (d) Specify the use of financial forms or bookkeeping procedures
- ____ (e) Make regulations regarding the disposition of surplus student funds
- ____ (f) Other - please specify _____
- _____

PART D - Money Management Procedures

1. Do you have a central treasurer who handles all the funds in your school? Yes ____; No ____.

If "yes", (a) what position in your school does this person hold? Principal ____; Vice-principal ____; Office clerk ____; Business ed. teacher ____;

Other - please specify: _____

(b) is this person bonded? Yes ____; No ____.

(c) what is the amount of bond? \$ _____

2. Are receipts issued for all moneys received by treasurers?
..... Yes ____; No ____.
3. Does your school have a Petty Cash Fund for small purchases?
..... Yes ____; No ____.
- If "yes", (a) what is the amount of this fund? \$_____
- (b) are Petty Cash Vouchers used?
..... Yes ____; No ____.
4. Are all expenditures (other than from Petty Cash) paid by
cheques? Yes ____; No ____.
5. (a) How many signatures are required on each cheque? _____
- (b) Who has the authority to sign cheques?
Principal ____; Faculty Advisor ____; Central treasurer ____;
Student President ____; Student Treasurer ____;
Other (please specify) _____
6. (a) Who may authorize expenditures of student funds?
Principal ____; Faculty Advisor ____; Central treasurer ____;
Student president ____; Student treasurer ____;
Other (please specify) _____
- (b) How are expenditures authorized? Oral instruction ____;
signed purchase order or requisition ____.
- (c) Are students alone permitted to authorize certain expenditures?
..... Yes ____; No ____.
7. Are books audited regularly? Yes ____; No ____.
- (a) If "yes", how often? _____
and by whom? _____

8. Are ticket sales by students controlled by numbering tickets?
..... Yes ____; No ____.

PART E - Protection of Funds

1. Is there a safe or vault in your school?.... Yes ____; No ____.

(a) If "no", how are funds protected until deposited in the bank?

2. Is burglary insurance kept on the school funds? Yes ____; No ____.

(a) If "yes", who provides the funds for payment of the premium?

3. What type(s) of bank account is/are used? Savings ____; Current ____.

Other _____

4. How many bank accounts are used for student funds? _____

5. What is the name of the account in the bank in which the Student Council Funds are kept? _____

PART F - Clearing Accounts

(These are funds such as examination fees, textbook rentals, etc. which are collected in school and sent out in total to out-of-school agencies).

1. Would you please estimate the approximate total annual amount of all clearing accounts for your school? \$ _____

2. Approximately how many accounts are kept in your books for sales of articles, e.g. textbooks, school supplies, locks, etc., on behalf of the school board?

none ____; 1-5 ____; 6-10 ____; 11-15 ____; 16-20 ____; over 20 ____.

3. Approximately how many accounts are kept in your books for rentals of articles, e.g. texts, musical instruments, etc. on behalf of the school board?

none ____; 1-5 ____; 6-10 ____; 11-15 ____; 16-20 ____; over 20 ____.

4. Approximately how many clearing accounts, other than the above, on behalf of the school board are kept in your books?

none____; 1-5____; 6-10____; 11-15____; 16-20____; over 20____.

PART G - Extracurricular Activities Accounts

1. Approximately how much money is involved in the total annual budgets of all these pupil organizations? \$_____
2. Approximately how many accounts are established for extracurricular activities under the sponsorship of the student body, or school administration?

0-5____; 6-10____; 11-15____; 16-25____; 26-40____; over 40____.

PART H - General

1. Does your school have a scholarship fund? Yes ____; No ____.
2. Does your school have a General School Fund, not included in the above categories? Yes ____; No ____.

If "yes" -

(a) What are the sources of this fund? _____

(b) What is the fund used for? _____

3. What fees are charged pupils upon registering in your school, and how much? (Do not include rentals or purchases)

Library \$____; Student Union \$____; Others:_____

_____ \$____; _____ \$____.

4. In the final analysis, do you think that the ownership of student funds is vested in the school district?..... Yes ____; No ____.

Reason for your opinion _____

5. Are surplus school funds invested? Yes ____; No ____.

(a) If "yes", please explain briefly: _____

6. Reporting

1. Are financial reports of all internal funds prepared periodically? Yes ____; No ____.

(a) If "yes", how often? _____

(b) Are these reports made available to:

Principal ____; Pupils ____; Superintendent ____;
School Board ____; Parents ____.

7. Following are listed several money management problems found in some schools. Please check (✓) those which apply in your situation. Double check (✓✓) those which are of major concern in your school.

_____ (a) Safekeeping of moneys kept within the school

_____ (b) Selection of suitable bookkeeping forms

_____ (c) Finding sufficient time to look after accounts satisfactorily

_____ (d) Selecting suitable fund-raising activities for student groups

_____ (e) Purchasing articles for schools on credit or on instalment plan

_____ (f) Transferring funds from one student group to another

_____ (g) Verifying the accuracy of sales made by students

_____ (h) Obtaining funds for newly established student organizations

_____ (i) Disposing of funds of defunct student groups

- _____ (j) Keeping track of the funds of each separate student group
- _____ (k) Earmarking of future income on past or present purchases
- _____ (l) Collecting delinquent clearing accounts (such as text rentals) from pupils
- _____ (m) Disposing of surplus funds of student groups
- _____ (n) Getting information on how to set up a proper system for keeping track of internal school funds.

8. If you have any further comments regarding internal school funds, please note them here:

9. Please enclose copies of any special forms used within your school for the management of school moneys.

THANK YOU FOR YOUR COURTESY IN COMPLETING THIS FOR ME

Philip J. Husby



Year	1980	1985	1990	1995	2000
1. Total population	100	105	110	115	120
2. Urban population	60	65	70	75	80
3. Rural population	40	40	40	40	40
4. Total population	100	105	110	115	120
5. Urban population	60	65	70	75	80
6. Rural population	40	40	40	40	40
7. Total population	100	105	110	115	120
8. Urban population	60	65	70	75	80
9. Rural population	40	40	40	40	40
10. Total population	100	105	110	115	120
11. Urban population	60	65	70	75	80
12. Rural population	40	40	40	40	40

APPENDIX B

SUPPLEMENTARY TABLES

1. Total population	100	105	110	115	120
2. Urban population	60	65	70	75	80
3. Rural population	40	40	40	40	40
4. Total population	100	105	110	115	120
5. Urban population	60	65	70	75	80
6. Rural population	40	40	40	40	40
7. Total population	100	105	110	115	120
8. Urban population	60	65	70	75	80
9. Rural population	40	40	40	40	40
10. Total population	100	105	110	115	120
11. Urban population	60	65	70	75	80
12. Rural population	40	40	40	40	40

TABLE XX

FREQUENCY DISTRIBUTION OF DOUBLE AND SINGLE CHECKED
MONEY MANAGEMENT PROBLEMS OF PRINCIPALS OF
SENIOR HIGH SCHOOLS

List Order	Statement of problem	Frequency		Weighted Score	Rank Order
		✓✓	✓		
a-	Safekeeping of money kept within the school	4	17	25	3
b-	Selection of suitable bookkeeping forms	1	11	13	4.5
c-	Finding sufficient time to look after accounts	5	17	27	2
d-	Selecting fund raising activities of student groups	7	18	32	1
e-	Purchasing articles on credit or on instalment plan	0	2	2	13
f-	Transferring funds from one student group to another	0	5	5	11
g-	Verifying the accuracy of sales made by pupils	2	7	11	7.5
h-	Obtaining funds for newly-established student groups	1	7	9	9
i-	Disposing of funds of defunct student groups	0	3	3	12
j-	Keeping track of the funds of each separate student group	1	11	13	4.5
k-	Earmarking of future income on past and present purchases	2	4	8	10
l-	Collecting delinquent accounts (e.g. rentals from students	1	9	11	7.5
m-	Disposing of surplus funds of student groups	0	1	1	14
n-	Getting information to set up proper bookkeeping system	2	8	12	6

TABLE XXI

FREQUENCY DISTRIBUTION OF DOUBLE AND SINGLE CHECKED
MONEY MANAGEMENT PROBLEMS OF PRINCIPALS OF
JUNIOR-SENIOR HIGH SCHOOLS

List Order	Statement of problem	Frequency		Weighted Score	Rank Order
		✓✓	✓		
a-	Safekeeping of money kept within the school	8	17	33	1
b-	Selection of suitable bookkeeping forms	1	15	17	4
c-	Finding sufficient time to look after accounts satisfactorily	5	15	25	3
d-	Selecting suitable fund-raising activities of student groups	5	19	29	2
e-	Purchasing articles on credit or on instalment plan	0	3	3	11
f-	Transferring funds from one student group to another	0	2	2	12.5
g-	Verifying the accuracy of sales made by pupils	1	5	7	9.5
h-	Obtaining funds for newly-established student groups	0	8	8	7.5
i-	Disposing of funds of defunct student groups	0	2	2	12.5
j-	Keeping track of the funds of each separate student group	0	12	12	6
k-	Earmarking of future income on past and present purchases	2	3	7	9.5
l-	Collecting delinquent accounts (e.g. rentals) from students	2	11	15	5
m-	Disposing of surplus funds of student groups	0	0	0	14
n-	Getting information to set up proper bookkeeping system	1	6	8	7.5

TABLE XXII

FREQUENCY DISTRIBUTION OF DOUBLE AND SINGLE CHECKED
MONEY MANAGEMENT PROBLEMS OF PRINCIPALS OF
GRADES I - XII SCHOOLS

List Order	Statement of problem	Frequency		Weighted Score	Rank Order
		✓✓	✓		
a-	Safekeeping of money kept within the school	14	15	43	1
b-	Selection of suitable bookkeeping forms	0	14	14	6
c-	Finding sufficient time to look after accounts satisfactorily	4	19	27	2
d-	Selecting suitable fund-raising activities of student groups	2	21	25	3
e-	Purchasing articles on credit or on instalment plan	0	2	2	12.5
f-	Transferring funds from one student group to another	0	7	7	9
g-	Verifying the accuracy of sales made by pupils	1	11	13	7
h-	Obtaining funds for newly-established student groups	0	4	4	10.5
i-	Disposing of funds of defunct student groups	0	1	1	14
j-	Keeping track of the funds of each separate student group	0	10	10	8
k-	Earmarking of future income on past and present purchases	0	4	4	10.5
l-	Collecting delinquent accounts (e.g. rentals) from students	3	13	19	4
m-	Disposing of surplus funds of student groups	0	2	2	12.5
n-	Getting information to set up proper bookkeeping system	4	8	16	5

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